

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> General Services	<b>(2) MEETING DATE</b> 5/19/2015	<b>(3) CONTACT/PHONE</b> Machele Vieux, (805) 781-5207	
<b>(4) SUBJECT</b> Request to approve lease amendments for office space and a parking lot in support of the Department of Child Support Services located at 1200 Monterey Street and 970 Toro Street in San Luis Obispo. District 5.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve the Second Amendment to Lease Between County of San Luis Obispo and Montoro Land Company, LLC for office space at 1200 Monterey Street in San Luis Obispo; and</li> <li>2. Approve the First Amendment to Lease Between County of San Luis Obispo and Montoro Land Company, LLC for a parking lot at 970 Toro Street in San Luis Obispo.</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Department of Child Support Services Fund Center 13401 (funded with a combination of Federal and State funds)	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$0.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$311,417 (Monterey St.) & \$6,089 (Toro St.) plus annual increases (County's share is zero.)	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b>		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> Attached	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date: <u>06/05/2001, 04/17/2001, 02/09/1999.</u>	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b> David E. Grim			
<b>(18) SUPERVISOR DISTRICT(S)</b> District 5			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Machelie Vieux , (805) 781-5207

DATE: 5/19/2015

SUBJECT: Request to approve lease amendments for office space and a parking lot in support of the Department of Child Support Services located at 1200 Monterey Street and 970 Toro Street in San Luis Obispo. District 5.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve the Second Amendment to Lease Between County of San Luis Obispo and Montoro Land Company, LLC for office space at 1200 Monterey Street in San Luis Obispo; and
2. Approve the First Amendment to Lease Between the County of San Luis Obispo and Montoro Land Company, LLC for a parking lot at 970 Toro Street in San Luis Obispo.

## **DISCUSSION**

The Department of Child Support Services provides assistance to families to ensure prompt establishment and enforcement of child and medical support for children who reside in San Luis Obispo County or children whose non-custodial parent resides in the County. Services include opening cases for child support applicants, interviewing case participants, conducting paternity investigations and establishing paternity. Establishing child and medical support judgments and enforcing support collection is also done out of this location.

The Board has approved two lease agreements to support the Department of Child Support Services; one for facility office space and a second for the adjacent parking lot.

On February 9, 1999 the Board approved a Lease for an office building with Montoro Land Company, LLC at 1200 Monterey Street in San Luis Obispo. The lease term was for a period of up to 11 years. The lease was for newly built 11,370 square feet of office space in which the County was the first occupants. On April 17, 2001 the Board approved the First Amendment to the Lease Between the County of San Luis Obispo and Montoro Land Company, LLC. The First Lease Amendment more accurately defined the finished building square footage at 12,300 square feet of usable office space as well as clarified the gross monthly rental amount as \$18,450 effective July 1, 2001. The County has been holding over on a month-to-month basis on this lease since June 2, 2011. The proposed Second Amendment to Lease Between County of San Luis Obispo and Montoro Land Company, LLC will amend the following sections of the Lease:

- The Lease shall be extended for a period of five years expiring May 31, 2020.
- The Automatic Extension language shall be updated to provide for 5 automatic extensions, each for a period of one year unless the County gives 120 days' notice of its intention to not renew.
- The Use shall allow other County occupants of the property with written permission of the Lessor.
- The Parking language shall specify that the County has the exclusive right to use all on-site parking space and updates the language to comply with the City of San Luis Obispo's parking requirement as outlined on the "Off-Site Parking Agreement" dated May 23, 2001.

An Off-Site Parking Agreement between Montoro Land Company, LLC, the County of San Luis Obispo and the City of San Luis Obispo was entered into on May 23, 2001. As a condition of building the office space at 1200 Monterey, the City

required Montoro Land Company to maintain 11 additional off-site, off-street parking spaces to serve the County during its hours of operation. Montoro Land Company, LLC has provided the off-street parking at the adjacent property located at 970 Toro Street.

On June 5, 2001 the Board approved a Lease for the Department of Child Support Services with Montoro Land Company, LLC for parking at 970 Toro Street. The Lease term was for a period of up to 14 years and 2 months, expiring May 31, 2015, and consisting of approximately 5,554 square feet of improved parking area. Included in this Lease are the 11 spaces required by the Off-Site Parking Agreement to serve 1200 Monterey, and there are an additional 11 parking spaces included in the Lease for a total of 22 parking spaces. Of the additional 11 leased parking spaces, eight spaces are assigned to the District Attorney's Office, two to the Planning and Building Department and one to the Department of Child Support Services. The proposed First Amendment to Lease Between County of San Luis Obispo and Montoro Land Company, LLC will amend the Automatic Extension language to specify up to 10 additional options to extend, each option being for a 1 year period unless the County gives 120 days' notice of its intention to not renew.

The proposed amendments will align the expiration dates on the 1200 Monterey Street office space Lease with the 970 Toro Street parking lot Lease.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The lease amendments were negotiated by General Services' Real Property Services Division and reviewed and approved by the Department of Child Support Services. The lease amendment for 1200 Monterey was also reviewed and approved by the California Department of Child Support Services. Both Agreements have been reviewed by County Counsel as to form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

The current monthly rent for 1200 Monterey Street is \$25,951.42, approximately \$2.10 Gross per square foot. Annual Consumer Price Index (CPI) adjustments are scheduled for every July. There are no changes to the Lease rate on the proposed Second Amendment.. The cost for the lease is included in the Department of Child Support Services Fund Center 13401 budget recommendation for the current and ongoing fiscal years. Funding for this lease will come from a combination of Federal and State funds. The County will have zero share of costs. Rent is reimbursable because it is defined as an administrative cost. Administrative costs for the Department of Child Support Services are reimbursed with 66% Federal and 34% State monies to fund this program.

Current monthly rent for 970 Toro Street is \$507.42, approximately \$46.12 per parking space for the 11 spaces leased in addition to the 11 spaces required as a condition of the lease of 1200 Monterey. This lease is funded from the General Services budget 11307, including projected annual Consumer Price Index (CPI) adjustments that are scheduled each July. There are no changes to the Lease rate on the proposed First Amendment.

#### **RESULTS**

Approval of the Second Lease Amendment for 1200 Monterey Street and First Lease Amendment for 970 Toro Street will synchronize the dates of the two leases, as well as extend the lease length and clarify extension language and parking. The 1200 Monterey Street Amendment will allow for the possibility of other County staff to utilize available office space in the building with written approval from the landlord. Approval of both Amendments will allow the Department of Child Support Services to continue to serve the San Luis Obispo community in a convenient and secure location. The Department of Child Support Services, the District Attorney's Office and the Department of Planning and Building will continue to benefit from the use of their assigned parking spaces at 970 Toro Street. This action supports the County's desired community-wide results of a well-governed and healthy community.

#### **ATTACHMENTS**

1. Location Map
2. Second Lease Amendment, 1200 Monterey Street, San Luis Obispo
3. First Lease Amendment 970 Toro Street, San Luis Obispo